

consent of the Governor and Council of State, to issue and sell not exceeding two hundred thousand dollars (\$200,000.00) bonds of the State to be designated "State of North Carolina Highway Serial Bonds" maturing in annual installments on the first day of January, beginning not later than 1956 and running not longer than 1971, the amount of each annual installment to be fixed by the Governor and Council of State. The said bonds shall bear interest at a rate to be fixed by the Governor and Council of State, but not exceeding five per cent (5%) per annum to be payable semiannually on the first days of January and July.

Sec. 3. Said bonds shall carry interest coupons which shall bear the signature of the State Treasurer or a facsimile thereof, and said bonds shall be subject to registration and be signed and sealed as is now or may hereafter be provided by law for State bonds, and the form and denominations thereof shall be such as the State Treasurer may determine in conformity with this Act.

Sec. 4. Subject to determination by the Governor and Council of State as to the manner in which said bonds shall be offered for sale, whether by publishing notices in certain newspapers and financial journals or by mailing notices or by inviting bids by correspondence or otherwise, the State Treasurer is authorized to sell said bonds at one time or from time to time at the best price obtainable, but in no case for less than par and accrued interest, and when the conditions are equal he shall give the preference of purchase to the citizens of North Carolina. All expenses necessarily incurred in the preparation and sale of the bonds shall be paid from the proceeds of such sale.

Sec. 5. The proceeds of said bonds and of the bond anticipation notes herein authorized (except the proceeds of bonds the issuance of which has been anticipated by such bond anticipation notes) shall be placed by the Treasurer in the construction funds known as the "State Highway and Public Works Commission Funds," but shall be used only for the purposes of this Act.

Sec. 6. By and with the consent of the Governor and Council of State, who shall determine the rate or maximum rate of interest and the date or approximate date of payment, the State Treasurer is hereby authorized to borrow money at the lowest rate of interest obtainable, and to execute and issue notes of the State for the same, but only in the following circumstances and under the following conditions:

(a) For anticipating the sale of any of said bonds to the issuance of which the Governor and the Council of State shall have given consent if the Treasurer shall deem it advisable to postpone the issuance of such bonds.

(b) For the payment of interest upon or any installment of principal of any of said bonds then outstanding if there shall not be sufficient funds in the State Treasury with which to pay such interest or installment as they respectively fall due.

(c) For the renewal of any loss evidenced by notes herein authorized.

Sec. 7. Funds derived from the sale of bonds shall be used in the payment of any bond anticipation notes that may have been issued in antici-